British Columbia's Youth Labour Market

PREPARED FOR MINISTRY OF JOBS, TOURISM AND SKILLS TRAINING
BY BC STATS – MARCH 2014

BCStats

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Funding for this project was made possible through the Labour Market Information initiative under the Canada-British Columbia Labour Market Agreement (LMA), which is administered for B.C. by the Ministry of Jobs, Tourism and Skills Training.

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Publish date: 03-03-2014

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1. Executive Summary

There are a number of differences in labour force characteristics between youth (aged 15 to 29) and the remainder of the population. These differences are fairly common across Canada with a few regional exceptions, usually related to the different industry composition present in different areas of the country.

Labour force participation among youth rises with age, such that 25 to 29 year olds are actually more likely to participate in the labour force than those aged 30 and over. However, participation rates are lower for those aged 15 to 24. School enrolment is a key factor in whether or not youth are in the labour force.

Unemployment rates are considerably higher for youth compared to the remainder of the labour force. This is particularly true during economic downturns. In B.C., young men are more likely to be unemployed than young women and, again, this is especially the case during tough economic times when overall unemployment is high. Youth are more likely to be employed part-time than the rest of the workforce, but are less likely to be self-employed. Those youth with higher levels of education were less likely to be unemployed and more often had full-time employment.

Aboriginal youth in B.C. tend to have lower participation rates and higher unemployment rates compared to non-Aboriginal youth in the province. Aboriginal people also tend to have lower levels of educational attainment. Immigrants, on the other hand, are more likely to have higher levels of educational attainment compared to those British Columbians born in Canada. However, they are less likely to participate in the labour force than Canadian-born residents. These trends apply to youth as well as the overall population of immigrants.

Youth in B.C. are more likely to be in retail trade, or the food services and drinking places industry compared with the rest of the labour force. Similarly, youth are more likely to be in occupations related to these industries, such as retail salespersons and clerks, or food counter attendants and kitchen helpers. Given that these occupations and industries offer lower wages than many other industries, the average wages of youth tend to be significantly lower than those of other wage earners.

2. Introduction

Young people have a different labour market profile compared to the rest of the labour force and face a number of unique challenges. Given that today's youth represent the future of the labour market, it is important to examine these differences and determine their causes.

This report expands upon the traditional definition of youth as being those aged between 15 and 24 to include the 25 to 29 age group as well. These "older youth" have a profile closer to the general labour force population, but still exhibit some interesting differences that are worth looking into.

3. Profile

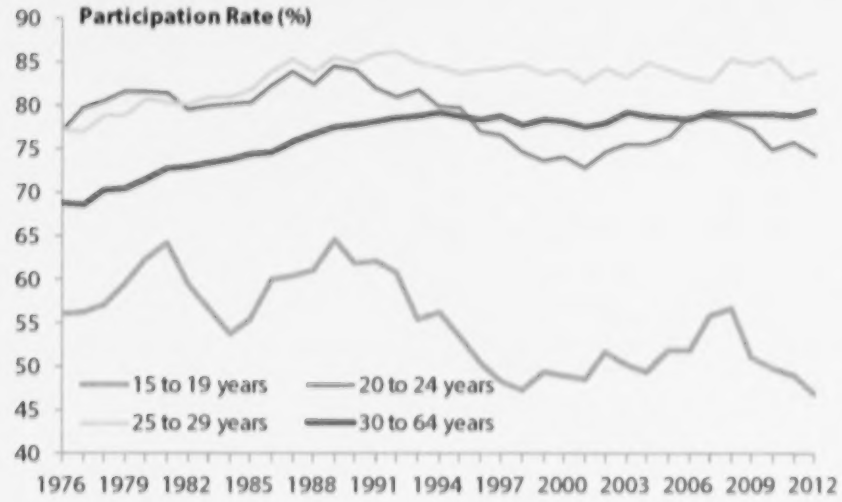
3.1. Labour force participation

Young people aged 15 to 29 are less likely to participate in the labour force compared to other adults under 65; however, there is considerable variation within the 15 to 29 group. Teens aged 15 to 19 are the least likely to be in the labour force. In 2012, only 47% of British Columbians in that age group participated in the labour force, compared to 74% of young adults aged 20 to 24 and 84% of those aged 25 to 29. The latter figure exceeds that of the 30 to 64 group, which had a labour force participation rate of 79%.

Youth participation in the labour force dropped significantly through the 1990s. This was true for Canada as a whole, but was even more pronounced in British Columbia. Both men and women aged 15 to 24 experienced a decline in labour force participation through this period. Research suggests that the decline was due to a combination of an increase in school enrolment and poor labour market conditions and not related to a youth-specific labour market issue.[1] The lower rates of participation have more or less persisted to date with the exception of an increase just prior to the global economic downturn in late 2008. With the downturn, youth participation fell once again, particularly for those aged 15 to 19.

[1] Beaudry, P., Lemieux, T. & Parent, D. (2000). What is Happening in the Youth Labour Market in Canada? *Canadian Public Policy, XXVI (Supplement I)*, S59-S83.

FIGURE 1: LABOUR FORCE PARTICIPATION OF BRITISH COLUMBIA 15 TO 24 YEAR OLDS DROPPED SIGNIFICANTLY IN THE 1990S

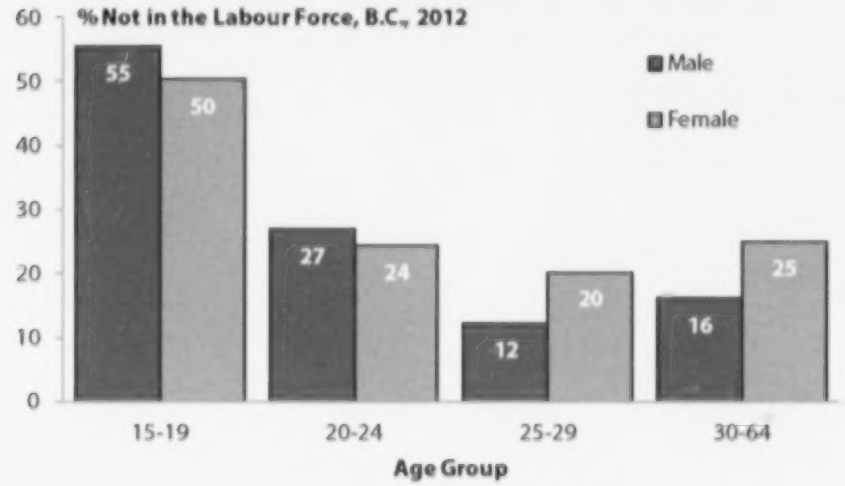


Source: Statistics Canada, Labour Force Survey / Prepared by BC Stats

The main reason that labour force participation is lower among youth is that many of them are attending school full-time. In 2012, in British Columbia, just over a third (38%) of 15 to 29 year olds who were going to school full-time were also participating in the labour market. Those who were only part-time students were much more likely to be in the labour force, with 81% participation, while non-students had a participation rate of 87%. In each category, 15 to 19 year olds were the least likely to be participating in the labour force. The biggest difference was with respect to part-time students, where only 65% of this age group were in the labour force, compared to 82% of 20 to 24 year olds and 90% of 25 to 29 year olds.

There is very little gender difference in the rates of labour force participation of youth in British Columbia. In 2012, the male and female participation rates for those aged 15 to 29 were almost the same and for the last several years there have been only small differences in the two rates. This contrasts with the overall male and female participation rates for those aged 15 and over, where male participation is significantly higher than female participation. One reason for this is that some women choose to opt out of the labour force while they raise a family, such that participation for women is much lower during child-bearing years. Even among youth, there appears to be evidence that this is occurring, as female participation is actually higher than that of men for those aged under 25, but for 25 to 29 year olds, 20% of women were not in the labour force in B.C. in 2012, compared to only 12% of men in that age group.

FIGURE 2: MANY YOUNG WOMEN OPT OUT OF THE LABOUR FORCE AS THEY AGE[2]



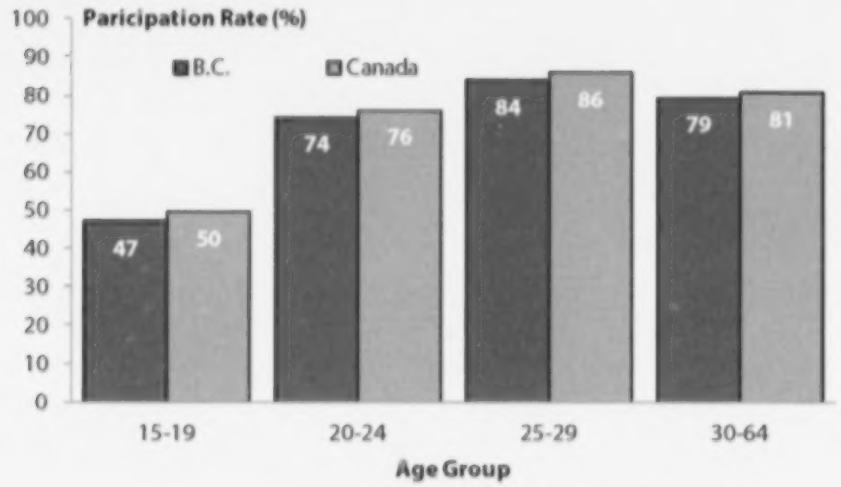
Source: Statistics Canada, Labour Force Survey / Prepared by BC Stats

Looking at the breakdown by those who are students versus those who are not, labour force participation among youth is actually higher for females compared to males, while for non-students, rates are higher for women aged 15 to 19, but are lower than men for female youth over 19. Around 82% of non-student women aged 25 to 29 were in the labour force, compared to 93% of men in the same category. This is in contrast to 48% participation of women aged 25 to 29 who are full-time students, versus only 39% of men in the same group. This likely reflects the different paths chosen by women who either delay having children while getting an education or forgo having a family at all, versus those that choose to start a family sooner, rather than getting post-secondary education, or perhaps delay getting an education until later in life.

Regardless of gender or educational status, British Columbia has one of the lowest labour force participation rates in the country. In 2012, 65% of British Columbians were in the labour force, compared to almost 67% for Canada as a whole. This difference of roughly two percentage points carried through each of the five-year youth age groups. However, female rates were closer to the Canadian average than those of males, which differed by as much as four percentage points for men aged 15 to 19 and 20 to 24.

[2] Note that for the 30 to 64 year old group shown in the chart, part of the reason for higher incidence of being out of the labour force could be due to cohort effects. In other words, female labour force participation was not as high as it is today when some older women first became of working age and many of these women never entered the labour force, whereas young women today are equally as likely as men to take on employment.

FIGURE 3: BRITISH COLUMBIA PARTICIPATION RATES WERE SLIGHTLY BELOW THE NATIONAL AVERAGE IN 2012



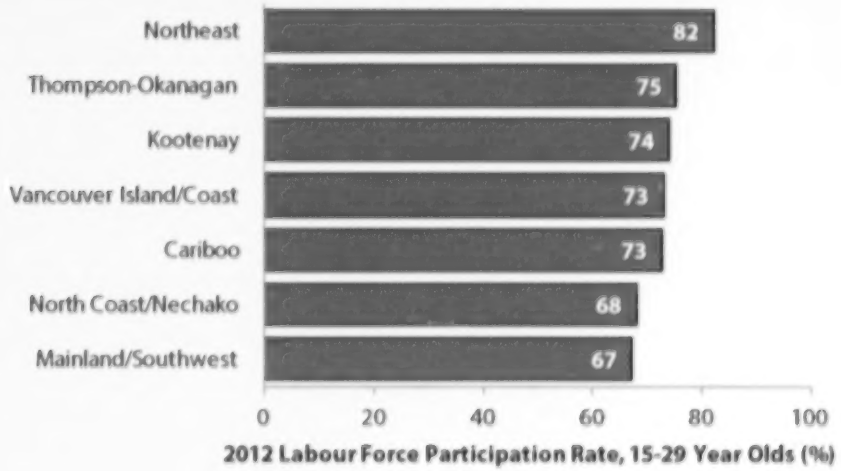
Source: Statistics Canada, Labour Force Survey / Prepared by BC Stats

Among the provinces, Alberta had the highest youth labour force participation, with slightly over 75% of those aged 15 to 29 in the labour force in 2012. Alberta also ranks first with respect to participation within the population as a whole. The other Prairie provinces, Manitoba and Saskatchewan, also had almost 75% youth participation, ranking second and third, respectively. Quebec (74%) and Atlantic Canada (71%) had higher youth participation rates than B.C. as well, but Ontario's youth were slightly less likely to be in the labour force, with only 69% of youth participating, compared to just under 70% for British Columbia. The lower numbers for Ontario were due to a smaller share of youth aged 15 to 24 going into the labour force, as those aged 25 to 29 were more likely to be in the labour force (86%) compared to British Columbians in that age group (84%).

Within British Columbia, there is significant variation in labour force participation among the different regions of the province. In 2012, youth (15 to 29) participation rates ranged from a high of 82% in the Northeast region, to a low of 67% in Mainland/Southwest. The proportion of young men and women in the labour force were virtually identical in both the Vancouver Island/Coast and Mainland/Southwest regions and there was not a lot of variation in most of the other regions either. The exceptions were North Coast/Nechako and Northeast where male youth between the ages of 20 to 29 were substantially more likely to participate in the labour force than females of the same age group. Resource sector industries are quite prominent in the economies of these regions and occupations in those industries are often male-

dominated, which may explain this variation. There is a large gap between male and female participation for the population overall in these regions as well.

FIGURE 4: THERE IS SIGNIFICANT REGIONAL VARIATION IN YOUTH LABOUR FORCE PARTICIPATION



Source: Statistics Canada, Labour Force Survey custom extract / Prepared by BC Stats

3.2. Employment and Unemployment

In general, youth aged 15 to 29 are more inclined to be employed compared to the overall population aged 15 and over. In 2012, in B.C., 62% of youth were employed, compared to just under 61% of the overall population. This was true for Canada as a whole as well, although Ontario bucked the national trend, as youth in that province (60%) were less likely to be employed compared to the overall population (61%).

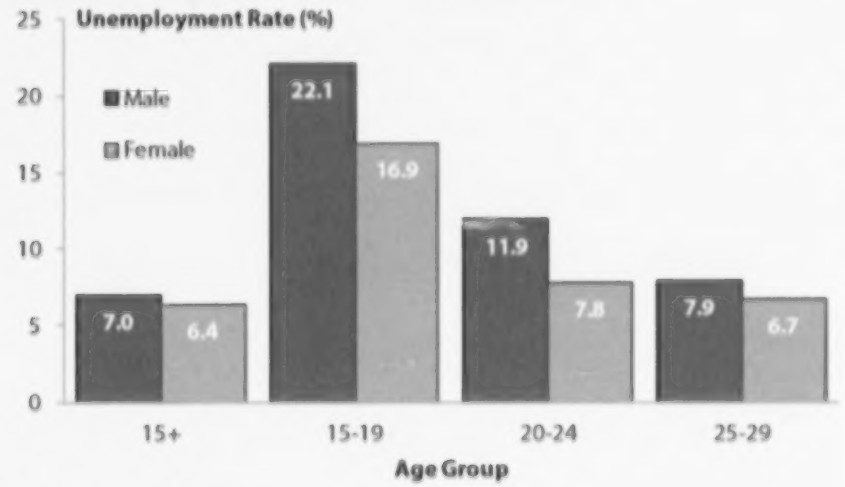
Young women in B.C. (63%) were more likely to be employed than young men (61%), which contrasted with the national experience, where the opposite was true. This was only true for those women in B.C. aged 15 to 24, as those aged 25 to 29 were much less likely to be employed compared to men.

Part of the reason for lower employment among young men is that unemployment rates for those men (and indeed, for men of all ages) were significantly higher compared to those for women. Looking at unemployment rates over time, this has not always been the case for the population 15 and over, but it has been true for youth aged 15 to 29 from 1982 onward. This gender gap is particularly apparent in times of high unemployment. This could be related to the fact that economic downturns often have a

bigger effect on the resource sectors relative to other parts of the economy. Given that employment in resource sector industries is often male-dominated, it is men who tend to suffer the brunt of layoffs from those industries during tough economic times. Those laid off first are usually those with the least seniority and, therefore, youth tend to suffer unemployment disproportionately during times of economic strife, particularly those under 25 years old.

The difference between the overall 15 plus unemployment rate and that of youth is quite glaring, particularly for those aged 15 to 19. In 2012, 19% of B.C. youth in that age group were unemployed, compared with slightly less than 7% of the labour force overall. The unemployment situation was somewhat better for those aged 20 to 24, but at 10% unemployment, they were still far worse off than the labour force as a whole. At just over 7%, there was far less of a gap in unemployment for those aged 25 to 29.

FIGURE 5: YOUTH UNEMPLOYMENT IN B.C. IN 2012 WAS SIGNIFICANTLY HIGHER THAN OVERALL UNEMPLOYMENT, PARTICULARLY FOR MEN



Source: Statistics Canada, Labour Force Survey / Prepared by BC Stats

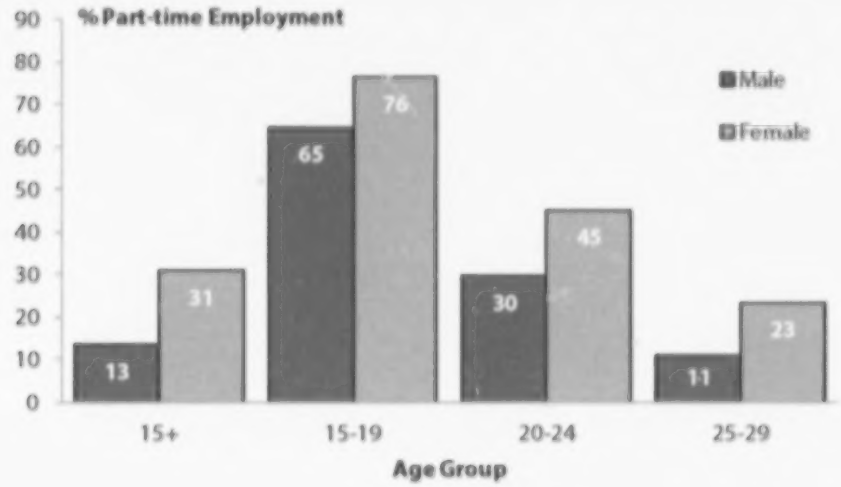
Among youth, in addition to the discrepancy in unemployment between men and women, there is also a big difference in unemployment rates of students versus non-students. In 2012, for British Columbians aged 15 to 29, approximately 13% of full-time students and 12% of part-time students were unemployed, compared to just under 10% of non-students in that age group.

For those youth in B.C. that were fortunate enough to be employed, around 35% were employed part-time, compared to only 22% of the employed aged 15 and above. However, youth are more likely to choose part-time work voluntarily relative to the

general population, mainly to attend school. Among employed full-time students aged 15 to 29, 89% were working part-time. Those students that were only attending school on a part-time basis were less likely to be working part-time as well, with only 48% in that category. Only 19% of B.C. youths who were not attending school were working part-time in 2012, which was a smaller proportion than that of the overall population (22%).

Among youth, part-time employment decreased with age. Around 71% of those B.C. workers aged 15 to 19 were employed part-time, compared to 37% of those aged 20 to 24 and 17% of those aged 25 to 29. Women were more likely to be employed part-time than men and there was a slightly greater chance that young women were working part-time involuntarily. These patterns were similar among all the provinces and have held over time.

FIGURE 6: B.C. YOUTH WERE MORE LIKELY TO BE WORKING PART-TIME IN 2012

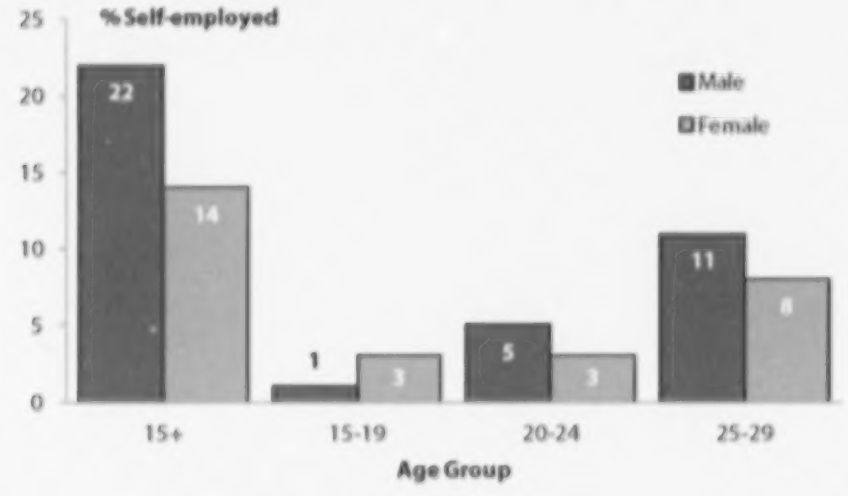


Source: Statistics Canada, Labour Force Survey / Prepared by BC Stats

While there is a greater incidence of part-time employment among youth compared to the overall population, the same is not true for self-employment. In 2012, approximately 18% of employed British Columbians were self-employed, compared to only 6% of employed youth. Older youth (25 to 29) were the most likely to be self-employed, at 10%, while those aged 15 to 19 were the least likely, at only 3%. As with the general population, young men were more likely to be self-employed (8%) than young women (5%). These patterns have been consistent over time and are similar across all provinces. Lower self-employment among youth is likely due to the fact that the majority of

younger people lack the skill-set and capital resources to start and operate a business of their own.

FIGURE 7: B.C. YOUTH WERE LESS LIKELY TO BE SELF-EMPLOYED RELATIVE TO THE OVERALL WORKFORCE IN 2012



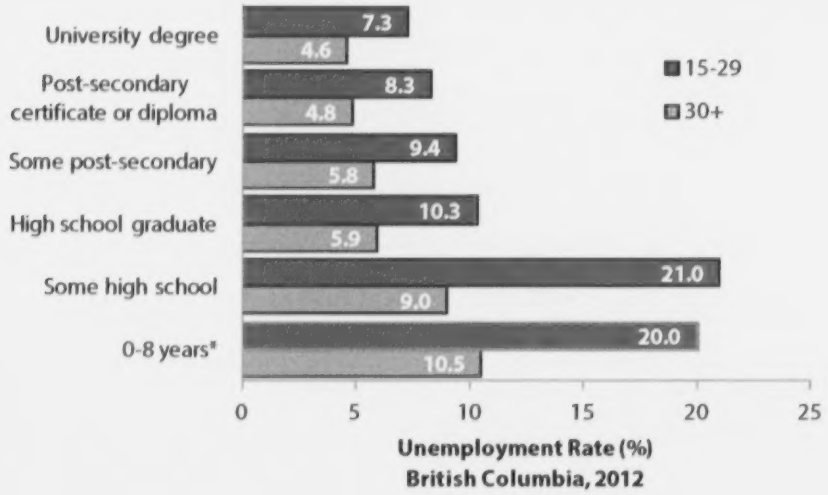
Source: Statistics Canada, Labour Force Survey custom extract / Prepared by BC Stats

3.3. Educational Attainment and the Labour Force

The benefits of higher education are reflected in the labour force. For both youth and the labour force as a whole, those with more education are less likely to be unemployed and more likely to have full-time employment than those with lower levels of educational attainment. The most striking example of this is for those aged 15 to 29 with only some high school, who, in 2012, represented 14% of youth in B.C.'s labour force, but made up 27% of unemployed youth and only 7% of young people with full-time employment. Those young people with a university education comprised 17% of the youth labour force, but encompassed 22% of 15 to 29 year olds who were employed full-time and only 12% of unemployed youth.

Regardless of educational attainment, youth unemployment rates were significantly higher than for those aged 30 and older. However, the difference was substantially greater for those youth with less than a high school diploma, as their unemployment rates were around double that of those aged 30 and over with the same level of educational attainment. These differences were similar across the country and over time.

FIGURE 8: YOUTH UNEMPLOYMENT RATES ARE HIGHER THAN THOSE FOR THE REMAINDER OF THE LABOUR FORCE, PARTICULARLY FOR YOUTH WITH LESS THAN A HIGH SCHOOL DIPLOMA



* The rate for 15 to 29 year olds with 0 to 8 years of education was calculated by BC Stats based on residual information.
Source: Statistics Canada, Labour Force Survey custom extract / Prepared by BC Stats

3.4. Educational Attainment and Labour Force Characteristics of Young Aboriginal People

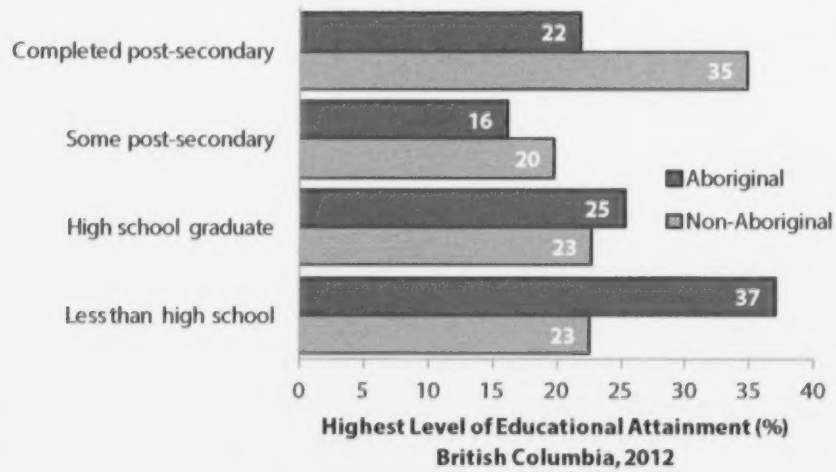
There are some stark differences in educational attainment and labour force characteristics of Aboriginal people in British Columbia compared to the non-Aboriginal population and these differences are often further magnified for Aboriginal youth. With respect to educational attainment, there is little variation between North American Indians and Métis,[3] although there are some significant differences between these two groups with respect to labour force characteristics.

In 2012, in B.C., 15% of the non-Aboriginal population had less than a high school education, compared to 28% of Aboriginal people in the province. For those aged 15 to 29, the corresponding figures were 23% for non-Aboriginal youth versus 37% for Aboriginal youth. At the other end of the scale, 53% of non-Aboriginal people aged 15 and over had completed some form of post-secondary education, compared to 37% of

[3] Note that, for B.C., data for "other Aboriginal people" (i.e., other than North American Indian or Métis) are suppressed due to small numbers, although those people are included in the total of all Aboriginal people in the province.

Aboriginal people. The figures for young people aged 15 to 29 were much lower, at 35% for non-Aboriginal youth and 22% for Aboriginal youth.

FIGURE 9: ABORIGINAL YOUTH (15 TO 29) HAVE LOWER LEVELS OF EDUCATIONAL ATTAINMENT COMPARED TO THEIR NON-ABORIGINAL COUNTERPARTS



Source: Statistics Canada, Labour Force Survey custom extract / Prepared by BC Stats

On average, Aboriginal women were more likely to have attained higher levels of education than Aboriginal men, although the proportions were still lower than the corresponding non-Aboriginal population, both for youth and the rest of the population.

While labour force participation rates of Aboriginal people in B.C. are only slightly lower than those of non-Aboriginal people, there is a much larger variance among youth. In 2012, 70% of non-Aboriginal people aged 15 to 29 participated in the labour force. For Aboriginal youth, the corresponding figure was 62%. For young Aboriginal women, the disparity was even greater, with only 60% of female Aboriginal youth aged 15 to 29 in the labour force, compared to 70% of young non-Aboriginal women.

The unemployment rates among Aboriginal youth were substantially higher compared to their non-Aboriginal counterparts, particularly for those identified as North American Indians. In 2012, in B.C., around 10% of non-Aboriginal youth were unemployed, compared to 18% of Aboriginal youth. Those Aboriginal youth identified as North American Indians recorded 20% unemployment, compared to 14% for those identified as Métis.

The differences between Aboriginal and non-Aboriginal youth observed in B.C. in 2012 are reasonably consistent with those seen at the national level, as well as with data from earlier years.

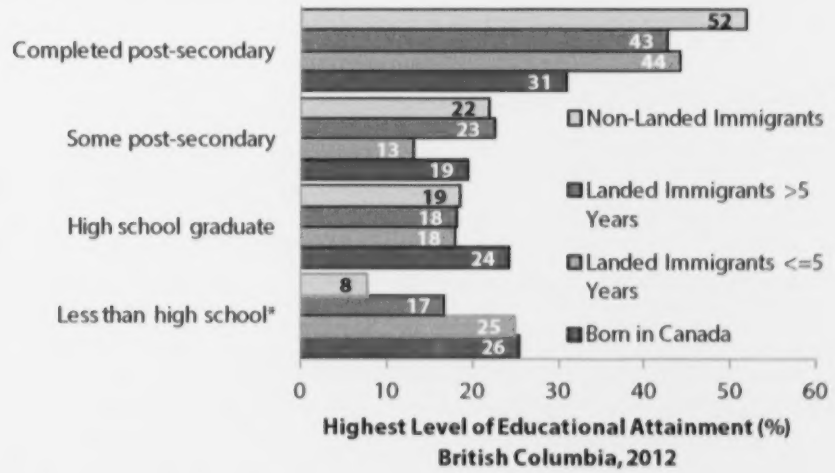
3.5. Educational Attainment and Labour Force Characteristics of Young Immigrants

There are some significant differences in educational attainment and labour force characteristics of immigrants in B.C. compared to British Columbians born in Canada and these differences generally carry over to the youth population. In general, immigrants have higher levels of educational attainment and lower rates of labour force participation.

In 2012, 31% of young British Columbians born in Canada had completed a post-secondary degree, certificate or diploma, compared to 43% of young landed immigrants and 52% of young non-landed immigrants.[4] As with the population overall, young immigrant women were more likely to have attained a higher level of education than young immigrant men. In 2012, 47% of female landed immigrant youth in B.C. and 58% of young non-landed immigrant women had completed some form of post-secondary education. For young immigrant men, the corresponding proportions were 39% of landed immigrants and 45% of non-landed immigrants.

[4] Non-landed immigrants consist of temporary residents with work visas, student visas and, in some cases, tourist visas.

FIGURE 10: YOUNG BRITISH COLUMBIANS (15 TO 19) BORN IN CANADA TEND TO HAVE LOWER LEVELS OF EDUCATIONAL ATTAINMENT COMPARED TO IMMIGRANTS



* The rates for non-landed immigrants and landed immigrants living in the province five years or less with less than a high school education were calculated by BC Stats based on residual information.
Source: Statistics Canada, Labour Force Survey custom extract / Prepared by BC Stats

Immigrant youth are less likely to participate in the labour force compared to British Columbians born in Canada. In 2012, 72% of those British Columbians aged 15 to 29 who were born in Canada were in the labour force, compared to 66% of landed immigrant youth and 50% of non-landed immigrant youth. The low proportion of non-landed immigrants in the labour force is likely due to the fact that many of them are in the province solely on a student or tourist visa and are not eligible to participate in the labour force. Established immigrants (those who have been here more than ten years) have labour force characteristics more similar to the Canadian-born population. For instance, the participation rate of established immigrants aged 15 to 19 was almost 70%, just slightly below the rate of those young people born in Canada.

Relative to participation rates, there was less variation in youth unemployment rates between the Canadian-born and immigrant populations. In 2012, in B.C., just under 11% of youth born in Canada were unemployed, compared to 11% of landed immigrant youth and 14% of non-landed immigrant youth. Established immigrant youth were slightly less likely to be unemployed, at 10%.

The variation in educational attainment and labour force characteristics recorded in B.C. in 2012 was fairly consistent with Canada as a whole, as well as with data from earlier years.

3.6. Industry

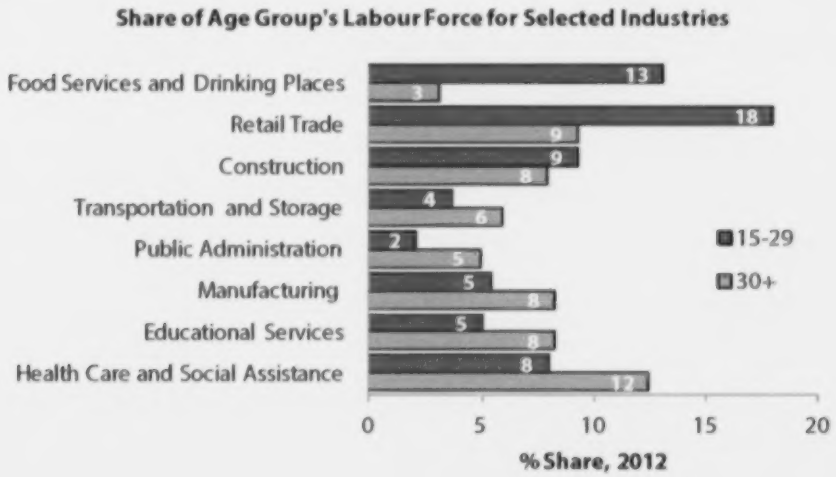
The most common industries for youth in the labour force are retail trade and the food services and drinking places industry. This doesn't come as much of a surprise as these have always been common entry points into the workforce for young people. In 2012, in British Columbia, 18% of the youth labour force were in retail trade and another 13% were in the food and drink sector. The corresponding ratios for those aged 30 and over were 9% in retail trade and 3% in food and drink. These industries were particularly common for youth with less than a post-secondary certificate or diploma. Given that these industries often offer part-time employment, they are popular jobs for youth who are still working on an education.

As with the overall population, there are some significant gender differences with respect to the industrial breakdown of the youth labour force. Men of all ages are far more likely to be employed in construction industries and this applies to youth as well. In fact, young men in B.C. (17% in 2012) are more inclined to be in the construction industry than their counterparts aged 30 and older (13%). The biggest concentration is in the specialty trade contractors industry. Of those men aged 15 to 29 whose highest level of educational attainment is a post-secondary certificate or diploma, 17% were in this industry in 2012.

On the other hand, women of all ages are far more likely to be employed in health care and social assistance and this is true for young women as well. However, female youth (13% in 2012) are less likely to be in this industry than those women aged 30 and over (21%).

In addition to health care and social assistance, there are other industries in which youth of both genders are less likely to be relative to the rest of the labour force. These include industries in the manufacturing sector, transportation and storage, education and public administration. With the exception of manufacturing, each of these industries has a strong union presence, with over half of employees covered by a union. The smaller proportion of youth in these industries could be due to a combination of advantages of seniority in a union shop (whereby the least senior employees are the first to get laid off in tough economic times) and degree or professional designation requirements.

FIGURE 11: B.C.'S YOUTH ARE MORE PRESENT IN SOME INDUSTRIES THAN IN OTHERS



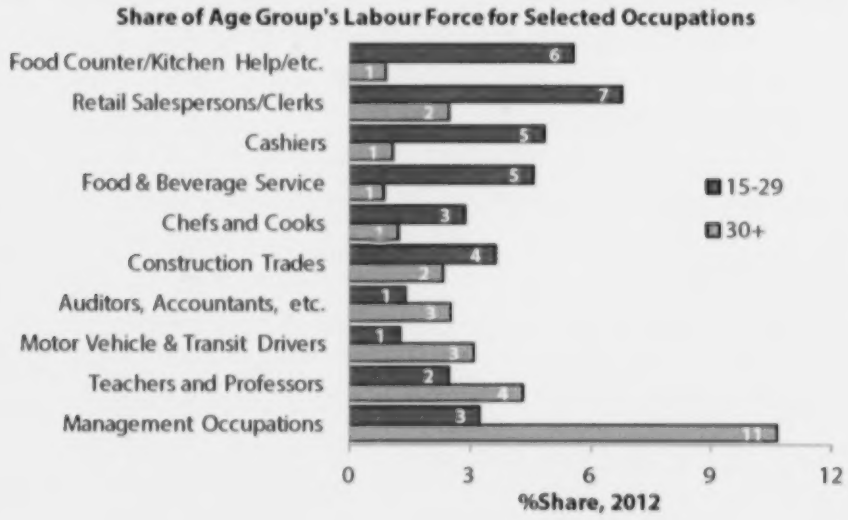
Source: Statistics Canada, Labour Force Survey custom extract / Prepared by BC Stats

These industry differences between youth and the rest of the labour force are more or less common across the country, although there are certain provincial differences. Specifically, more youth are involved in the construction industry in the Prairies, compared to the rest of the labour force. Also, the agriculture sector plays a larger role in these provinces, as well as in Prince Edward Island, but youth are slightly less likely to be involved in that industry. For the most part, those youth that are involved with agriculture tend to have little or no post-secondary education.

3.7. Occupation

As one would expect, the occupational distribution of youth in the labour force mirrors that of the industry breakdown. Youth, particularly those with less than a university education, are more likely to be in occupations related to the retail sales and food services industries. Specifically, youth were more likely to be retail salespersons and clerks (7% of youth in were these occupations in 2012, compared to 2% of adults over 30 years old), cashiers (5% versus 1%), food counter attendants, kitchen helpers and related (6% versus 1%), chefs and cooks (3% versus 1%), and other occupations in food and beverage service (5% versus 1%). For many of these youth, these occupations are likely not a permanent career choice, but rather an entry position into the labour force with which to gain work experience and possibly to earn income to pay for schooling.

FIGURE 12: OCCUPATIONS OF B.C.'S YOUTH REFLECT THEIR INDUSTRY DISTRIBUTION



Source: Statistics Canada, Labour Force Survey custom extract / Prepared by BC Stats

For young men, construction trades are relatively more popular as an occupational choice, with a higher proportion of youth in these jobs (7% in 2012), compared to men aged 30 and above (4%). Around 12% of young men with a post-secondary certificate or diploma are in these occupations, particularly plumbing and carpentry trades, compared to 5% of older men with the same level of education.

Young men whose highest level of educational attainment is high school or less are more likely to be working as longshore workers and material handlers, and trade helpers and labourers, relative to their older counterparts.

For young women, there is very little presence in these male-dominated occupations and the main jobs held by young women outside the retail and food services sectors are clerical occupations. In 2012, 12% of women aged 15 to 29 were in clerical occupations, which was the same proportion of women aged 30 and over.

Youth in the labour force were less likely to be in management occupations. In 2012, just over 3% of those in the labour force aged 15 to 29 were in management positions, compared with 11% of those aged 30 and over. Similarly, youth were less likely to be in professional occupations in health, such as physicians and dentists (less than 1% of youth versus 2% of those aged 30 and over), teaching occupations (2% versus 4%), and occupations such as auditors, accountants and investment professionals (1% versus 3%). For the most part, these occupations require either a professional designation or years of experience that youth are less likely to have attained.

Across the country, the occupational differences between youth and the rest of the labour force were similar to those in British Columbia. There were some minor variations, such as primary production labourers being more common occupations for youth in provinces with large agricultural sectors, but for the most part, the differences observed in B.C. held true for the rest of the country as well. These discrepancies between youth and the rest of the labour force were also similar in previous years.

3.8. Wages

Wages tend to rise with age. As one gains experience and moves up into positions with greater responsibility, wages tend to increase. Therefore, it comes as no surprise that young people earn lower wages than those older than them. In 2012, in B.C., the average weekly wage rate for youth aged 15 to 29 was $560, while those aged 30 and over earned $969 per week, on average. Teens (15 to 19) earned about $245 per week, 20 to 24 year olds took in $469 per week and older youth (25 to 29) collected wages of $782 per week, on average.

Besides experience, another reason young people earn less is that the industries and occupations in which youth are most concentrated also tend to pay the lowest wages. In 2012, the average wage across all industries and occupations in B.C. was $23.58 an hour. The average hourly wage in the food services and drinking places industry was $13.04, the lowest of any industry. Workers in the retail trade sector earned, on average, $16.69 an hour, ranging from $13.60 for those working in clothing stores to $22.88 for those working at motor vehicle and parts dealers. Popular occupations for youth such as food counter attendants, kitchen helpers and related ($11.59 per hour), cashiers ($12.08), occupations in food and beverage service ($14.16), retail salespersons and clerks ($14.56), and chefs and cooks ($14.63) all earned substantially less than the provincial average hourly wage.

FIGURE 13: IN 2012, YOUNG BRITISH COLUMBIANS EARNED FAR LESS, ON AVERAGE, COMPARED TO THOSE OLDER THAN THEM

Source: Statistics Canada, Labour Force Survey custom extract / Prepared by BC Stats

However, even within those industries and occupations, youth earned less than the average wage. This was common across all industries and occupations—the size of the wage gap varied by industry and occupation, but in almost every instance, youth earned less than their more mature counterparts. The only exceptions were for nurse supervisors and registered nurses, and technical occupations in personal service. For both these occupations, hourly wages were higher for those aged 30 and over, but average weekly earnings were higher for youth, which implies that the younger workers were working longer hours such that their weekly take-home pay was higher.

The largest occupational wage gap was for university professors and assistants. Youth in this occupational category were earning less than a third of what the rest of the workforce were earning. This is likely because most youth were working as assistants, who earn far less than professors.

Among the industries, the largest wage gaps were in the publishing, and motion picture and video industries. Youth in these industries were earning only a third as much as their older counterparts. A lot of this had to do with hourly wage rates, which in both cases were half that of those aged 30 and over, but fewer hours worked per week was also a factor. Both these industry groups have a somewhat eclectic mix of industries within them. The publishing sector ranges from book, periodical and newspaper publishers to software publishers. The motion picture and video industry group includes production, distribution and exhibition of motion pictures and videos. It is likely that part of the

reason for the wage discrepancy is that youth tend to be in industries at the lower end of the wage spectrum. For example, in the motion picture and video industry, it is possible that youth are concentrated in the exhibition sector, rather than in production, where more substantial wages are offered.

The industry with the smallest gap in average weekly earnings was mining and quarrying. Youth in this industry earned only 6% less per week compared to those aged 30 and over. The heavy and civil engineering construction industry had the next smallest wage gap, at 10%. Both these industries pay well above the provincial average rate and are likely competing for a smaller pool of skilled workers, such that offering significantly lower wages for new workers is probably not an option. There is also very little part-time employment in these sectors, so young people working in these jobs may be working more hours compared with those working in industries where there is more part-time employment and, therefore, earning more.

Across most industries and occupations, the largest wage disparities were for youth under 25 years of age. Wages of those aged 25 to 29 were much closer to those of people aged 30 and over and, in a number of cases, were even higher. Nevertheless, in 2012, the average weekly wage across all occupations and industries for workers aged 25 to 29 was still 19% lower than that of those aged 30 and over.

In 2012, women in B.C. earned an average of $21.47 per hour, about 83% of what men earned ($25.73 per hour). However, the gap was smaller for younger women. Women under 30 years old earned about 88% of what men earned. Across most industries and occupations, the gap between what men and women were earning was smaller for younger women. In some cases where women were earning significantly less than men, the opposite was true for young women. For example, in the finance and insurance industry, women aged 15 and over earned about 72% of what men earned. However, when restricting the comparison to only those aged 15 to 29, women actually earned higher hourly wages than men.

4. Summary

There are many differences in the labour force characteristics of youth when compared to the rest of the population. The sources of these differences are often related to various life stages. For example, school attendance has a marked effect on whether or not young people are in the labour force, the types of occupations and industries they are involved

in, the hours they work and the wages they earn. Job experience and educational attainment are also factors.

Many of the differences between youth and the rest of the labour force dissipate with age. Occupational choices are often limited to the types of entry positions that are available to youth and the range of available occupations change over time as young people become more educated and gain the experience needed to attain work in their chosen fields. As a result, differences in the industry and occupation distribution of youth and the resulting wage differences are less of a concern. More problematic are high unemployment rates for youth and the differences between Aboriginal people and the rest of the population. These are the areas that may benefit from specific policy directions.

BRITISH COLUMBIA

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